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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

JUL 23 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of:)
)
Access Charge Reform)
)
Reform of Access Charges Imposed by)
Competitive Local Exchange Carriers)
)
Petitions for Reconsideration)

CC Docket No. 96-262**WORLDCOM OPPOSITION**

WorldCom, Inc. (WorldCom) respectfully files this opposition to several petitions for reconsideration of the *CLEC Benchmark Order*.¹

On April 27th of this year, the Commission released an order that established declining benchmarks for the tariffed switched access charges of competitive local exchange carriers (CLECs). Therein, the Commission determined that, upon completion of a multi-year transition, CLECs would be prohibited from tariffing interstate switched access charges higher than the charges imposed by the incumbent local exchange carrier (ILEC) in any market. The Commission also established a "rural exception" for CLECs that operate exclusively in "rural areas" served by a large ILEC.

Several CLECs subsequently filed petitions for reconsideration of various aspects of the

¹ In the Matter of Access Charge Reform, CC Docket No. 96-262, Reform of Access Charges Imposed by Competitive Local Exchange Carriers, *Seventh Report and Order* (rel. April 27, 2001).

CLEC Benchmark Order. In this pleading, WorldCom opposes the petitions filed by the Minnesota CLEC Consortium, the Rural Independent Competitive Alliance (RICA), and TDS Metrocom, Inc.

I. The Commission should not establish a “density zone plan” for second and third tier markets.

TDS Metrocom claims that, because of a glitch in the Commission’s filing system, its proposal regarding second and third tier markets did not receive consideration. Even assuming such a glitch occurred, there is no need for the Commission to reconsider its decision to limit the extent of the rural exemption.

The Commission has determined that a CLEC’s costs, as a general matter, are not relevant to its tariffed interstate access charges. Rather, the Commission’s rules will ensure that CLECs can receive revenues from IXCs equivalent to what their primary competitors would receive. Neither TDS Metrocom nor any other party has suggested any legitimate reason why the Commission should endow CLECs with a right to force a particular group of customers to purchase CLEC services at above-market rates. Insofar as CLECs are unable to recover costs in interstate access charges, they should include those costs in end user charges.

The fact that the Commission made a limited exception to its general rule for CLECs that operate exclusively in very rural areas does not in any way diminish from the general rule. Indeed, a strong argument can be made that there should be no rural exception whatsoever. In any case, TDS Metrocom has failed to explain why it should be allowed to impose above-market access rates in the second- and third-tier markets in which it operates.

II. The Commission should not expand the rural exception.

Both the Minnesota CLEC Consortium and RICA ask that the Commission reconsider various aspects of the rural exception. Their petitions should be denied in every particular. The Commission's goal should be to contract, not expand, the number of end users for which CLECs may impose access rates higher than those of their primary competitor, the ILEC.

The Commission adopted its "rural exception" to address a perceived problem with "averaging." The ILECs average their access charges across large study areas. A CLEC competing only in the most rural part of any study area might arguably be unfairly disadvantaged by a rule limiting it to the ILEC's averaged rates.

The Minnesota CLEC Consortium recommends that the Commission extend this exception to CLECs that serve customers in both rural and non-rural areas. Such an extension would nullify the rule's rationale. A CLEC that competes in both rural and non-rural areas is not disadvantaged by averaging. Like the ILEC, it can impose identical charges in both areas. Moreover, if the CLEC overwhelmingly serves customers in rural areas, it can seek a waiver of the Commission's rules.

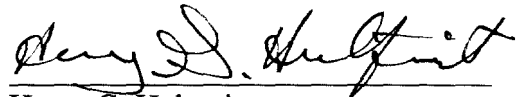
Neither should the Commission expand the rural exception to include CLECs that compete with rural ILECs. Such ILECs do not create the averaging problem that gave rise to the rural exception. Accordingly, it would be inappropriate to give CLECs that compete with those ILECs license to impose above-ILEC charges.

Both the Minnesota CLEC Consortium and RICA seek to have the NECA carrier common line charge included in the rural benchmark. This is absurd. The Commission should not authorize competitive carriers to recover loop costs from IXC's. These costs must be recovered

either from end users or in portable universal service subsidies. Insofar as the access charges of rural ILECs are reduced to implement universal service reform, rural CLEC access charges must also be reduced.

Respectfully submitted,

WorldCom, Inc.

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Certificate of Service

I, Barbara Nowlin, do hereby certify that copies of the foregoing opposition of WorldCom, Inc., in the matter of Access Charge Reform, Reform of Access Charges Imposed and Petitions for Reconsideration were sent via first class mail, postage paid to the following on this 23rd day of July, 2001.

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